



GAZDASÁGI
VERSENYHIVATAL

Originality examination of vehicles criticized by the GVH

As an object lesson of the inefficient functioning of the state, the undue originality examination fee is unnecessarily imposed on the citizens and the undertakings, and also constitutes a heavy burden on the state – can be read in the letter of the GVH addressed to the Minister of Justice and the Minister of Transport. The GVH invites them to review the regulation of the originality examination in order to decrease the excessive level of the fees and the unjustified costs.

The GVH has been surprised to hear that the regulation of the originality examination went through important amendments in December 2009. Concerning the concept of the new regulation, the legislators had not asked for the opinion of the GVH previously, however pursuant to the Competition Act the President of the GVH has to be “solicited for his opinion concerning all measures drafted and legislation in conception or drafted that have a bearing on the responsibilities of the Authority, in particular if such planned measures or legislation restrict competition (performance of some activity or entry into the market), grant exclusive rights or contain provisions pertaining to prices or terms of sale.”

It is absurd that neither the ministry of justice nor the one of transport have fulfilled their coordination obligations, while the executed amendments obviously concerned the conditions for practising certain market activities. The GVH hereby has to ask for the possibility of the posterior study of the amendments, since the suspicion arises that, as a result of the new regulation, the efficiency of fulfilling public duties has not been improved; on the contrary, it has worsened.

Even in its annual report submitted to Parliament in 2008, the GVH had already initiated the review of the originality examination system. Previously, in November 2008, the GVH had published a competition policy analysis about the regulation of the obligatory originality examination of vehicles. The analysis highlighted that since the beginning, the system had been functioning under disputable circumstances, inadequately both from a competition and a consumer point of view. The legislation in this field had favoured the interests of the market players in the private sector. Besides the fact that the operation costs of the system surpass the public benefits reached, the originality examination is only partially able to achieve its original aim.

The obligation of having recourse to the originality examination services also extended and still extends to cases (e.g. selling vehicles by state bodies) where there is no real risk to be prevented by the state, but it constitutes unnecessary extra costs for the consumers. The official fees were determined on the basis of the artificially high prices (also including extra profit) that had been set in the cartel previously investigated by the GVH. Law also protects the position of the market players, they have not been exposed to competition. Furthermore,

besides the system of the originality examination, the state has also established, and still maintains and runs technological monitoring systems.

According to the GVH, to decrease the costs of the vehicle owners, the following possibilities may occur as alternatives: rationalizing state traffic administration tasks, enforcing price competition between originality examination service providers, enhancing transparency. If, for any reason the level of costs of the originality examination could not be decreased, the annulations of the obligation of the originality examination or the commercialisation of the service might also be considered.

The proposal made by the GVH in 2008 has remained unanswered; neither of the ministries mentioned have reacted nor made any measures on the merit so far.

The proposal of the GVH submitted to Parliament concerning the originality examination of vehicles is available in Hungarian:

<http://www.gvh.hu/domain2/files/modules/module25/9460AD08913A3368.pdf> (page 17)

The competition policy analysis concerning the originality examination of vehicles is available in Hungarian:

<http://www.gvh.hu/domain2/files/modules/module25/6715BA342318AB60.pdf>

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